

Decision No. 41509**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the investigation on the Commission's own motion into the reasonableness of certain proposed rules for gas service in the State of California in revision of General Order No. 58 of this Commission.

Case No. 3181

THIRD SUPPLEMENTAL ORDER

The rules governing the standards of gas service in California are set forth in General Order No. 58-A and were authorized by this Commission's Decision No. 24827, issued May 31, 1932. Among other provisions, the general order requires that no gas meter shall be allowed to remain in service more than seven years from the time when last tested without being retested.

Due to the World War II emergency, lack of critical materials, shortage of manpower, and the shortage of new gas meters, the gas utilities were permitted by supplemental orders⁽¹⁾ to deviate from the provisions of the general order by extending the seven-year test schedule to ten years. The second supplemental order stipulated that the term of the deviation would expire on May 1, 1948.

Petitions⁽²⁾ were recently filed by three of the natural gas utilities requesting that they be permitted to continue the ten-year test schedule of gas meters for an additional period. A fourth utility

(1) First Supplemental Order, Decision No. 35470, issued June 9, 1942.
Second Supplemental Order, Decision No. 38949, issued May 7, 1946.

(2) Petition by Southern California Gas Company filed April 13, 1948.
Petition by Southern Counties Gas Company filed April 20, 1948.
Petition by Pacific Gas and Electric Company filed April 20, 1948.

Coast Counties Gas and Electric Company, made a similar request by letter dated March 29, 1948.

The petitioners outlined rather extensively their reasons to justify the request for a continuance of the ten-year testing program. These are briefly summarized hereinafter.

Recent test results indicate that the percentage of accurate meters has increased under the ten-year change program. This is attributed to improved repair and adjustment procedures adopted by the utilities. Furthermore, the meter manufacturers have made changes and refinements in the construction of gas meters and meter parts, which have stabilized and improved meter accuracy.

Southern California Gas Company and Southern Counties Gas Company currently have about 1,034,000 and 288,000 meters, respectively, in service. During 1947 the former utility tested 71,027 meters, while the number tested by the latter company was 27,201. Each of the utilities presented data based on certain assumptions, showing the average number of meters that would be tested each year between now and 1960 under both a seven and a ten-year program. On a seven-year test schedule Southern California Gas Company estimates it would test and repair on the average 180,300 meters a year, and Southern Counties Gas Company 52,900 meters. Under the same assumptions, and on the basis of a ten-year program, the average number of annual tests would be 134,500 and 40,100, respectively. If these utilities were now required to revert to the seven-year test program, it would be necessary for Southern California Gas Company to test 503,000 meters in 1948, and Southern Counties Gas Company as estimated 60,000 meters. These two utilities state they have neither the trained personnel and equipment, nor the necessary shop space and facilities to comply with such a program.

Pacific Gas and Electric Company states it had 895,809 gas meters installed on consumers' premises and in stock at the close of 1947. During the year 1947 the company tested 77,383 meters. The utility estimates it would be required to change approximately 110,000 meters per year under a ten-year program, and 145,000 meters would be removed annually if a seven-year test schedule was required. In the event Pacific Gas and Electric Company reverted to a seven-year test cycle at once, it would be necessary to remove more than 400,000 meters in 1948.

It was also indicated by petitioners that the adoption of the seven-year test cycle would result in very substantial increases in operating cost to the utilities due to higher labor and material costs, and in addition, substantial capital outlays would be required to construct additional meter shop repair facilities.

Reference was made to the still existing shortage in the supply of new meters, which makes it impracticable for them to maintain the required number of meters in revolving stock under the seven-year test schedule.

The Commission believes the provision contained in General Order No. 58-A, relating to the frequency of testing consumers' gas meters, should be subject to further study following the accumulation of additional test results under the ten-year program. It is also evident that a high degree of meter accuracy is being maintained under the extended testing cycle, and the percentage of meters tested and found accurate is currently higher than in former years. In view of the foregoing and additional information available to the Commission from other sources, a continuation of the deviation permitting a ten-year testing schedule of gas meters in lieu of a seven-year schedule for two years is believed to be justified. The Commission is of the opinion, however, the utilities should, during the next two years,

assemble appropriate information to support a modification of General Order No. 58-A to provide for a ten-year testing cycle, or any other testing schedule that actual results indicate to be justified.

The Commission having considered the request of petitioners and it being of the opinion that the petition should be granted, that a public hearing in the matter is not necessary, and sufficient cause appearing, therefore,

IT IS HEREBY ORDERED that all public utility gas corporations are hereby authorized to deviate from the provisions of Rule 24(a) of General Order No. 58-A to permit the removal of gas meters for testing and possible adjustment on a ten-year schedule in lieu of the seven-year schedule provided in said general order, such deviation to be effective for two years from the date hereof; unless otherwise hereafter ordered.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 27th
day of April, 1948.

A. B. Dwyer
Justice J. C. Calverley
Grant Powell
Harold P. Hill
Kenneth D. Potter
Commissioners